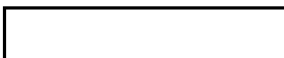


OLC 78-0585

16 FEB 1978

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM:



Acting Legislative Counsel

SUBJECT: Dealings with the General Accounting Office

1. ☐ Action Requested: For your information; in response to your request.

2. ☐ Background: For some time prior to the Fall of 1977, this Agency dealt with GAO on an ad hoc basis with no regularized guidelines. As a result of a number of requests for access to sensitive compartmented information or programs, the DCI wrote Comptroller General Staats on 19 October 1977 (copy attached) outlining the policy he intended to follow with respect to GAO requests. The letter was based on the DCI's decision to restrict to the extent possible access to compartmented information not only with respect to GAO but throughout the Executive and Legislative Branches. As a result of that letter we met with GAO representatives and established the following guidelines:

a. ☐ OLC would be the focal point for all GAO requests. In the past, GAO had inquired directly of the component possessing the information of interest.

b. ☐ CIA would provide on a case-by-case basis appropriate briefings to GAO on non-compartmented substantive intelligence matters which would allow them the necessary background to do their job.

c. ☐ On GAO initiated audits, studies, etc., CIA would brief them on substantive intelligence matters provided the information was not compartmented and did not involve operational matters. If access to compartmented or operational information was necessary to the understanding

of their report we would deal directly with the appropriate congressional committee.

Note: Many GAO studies are self-initiated and, therefore, would fall into this area; however, we have seen evidence that GAO will initiate a study or studies, advise the appropriate congressional committees that they are doing the study, and ask them if they would like to see the study upon completion. This procedure makes it difficult to determine the true nature of congressional interest in the study.

d. (U) Where an appropriate congressional committee asked that GAO make a particular study, CIA would again provide non-compartmented and non-operational briefings and would deal directly with the appropriate congressional committees with respect to the compartmented or operational information.

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3. ☐ Since establishment of the guidelines, we have worked closely with GAO to ensure that their requests were met to the extent possible under the guidelines. Our relations have been cordial and we believe we have established a good basis for working out future problems to the satisfaction of both parties. Our understanding, of course, may differ to that of Mr. Staats.

STAT

4. ☐ Another major area involving GAO is the audit and financial review field. In the past there have been attempts to regularize GAO auditing of CIA funds, with the exception of funds earmarked for sensitive programs, the audit of which would reveal intelligence sources and methods. This procedure did not prove workable to GAO and in about 1962 GAO decided to cease all activity relating to the auditing of CIA funds.

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5. ☐ In 1976, the Church Committee recommended that GAO conduct full audits of all components of the Intelligence Community at the request of and as agent for the oversight committees under appropriate security procedures. This subject was raised by the Senate Select Committee on Intelligence during the confirmation hearings of former DDCI Hank Knoche.

Subsequently, at CIA initiative, efforts were made by the Agency to formulate a workable procedure which would allow for a GAO audit of Agency funds under appropriate security measures which would protect intelligence sources and methods. The tentative procedure suggested to Bill Miller, Staff Director, Senate Select Committee on Intelligence, prior to the introduction of the recent charter legislation, entailed the assigning of GAO auditors to the Senate Select Committee on Intelligence staff in order that information developed by them would come under the protection of S. Res. 400. The Senate Select Committee on Intelligence did not act upon the initiative.

STAT 6. ☐ The above procedures would be changed under the recently introduced Senate Select Committee on Intelligence charter legislation, which if adopted, will provide:

STAT a. ☐ All appropriated funds will be submitted for financial and program audit and review by GAO upon request of the Senate Select Committee on Intelligence, the House Permanent Select Committee on Intelligence, or any other committee with appropriate legislative jurisdiction.

STAT b. ☐ In the event of an audit, etc., request by a committee other than the House Permanent Select Committee on Intelligence or the Senate Select Committee on Intelligence, the results will be submitted to the House Permanent Select Committee on Intelligence or the Senate Select Committee on Intelligence (and subject to the disclosure provisions of S. Res. 400 or H. Res. 658).

STAT c. ☐ All audits, etc., will be conducted in accordance with such security standards as may be prescribed by the DCI in consultation with the committee requesting the audit, etc.

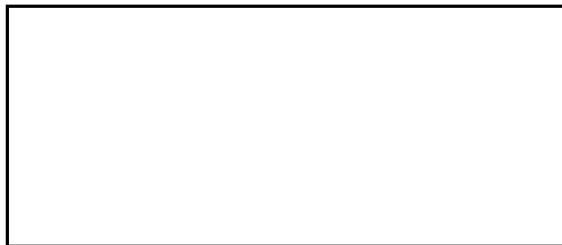
STAT d. ☐ The DCI may exempt activities from any audit or review if essential to protect security and he notifies the appropriate committees of the reasons therefor and reports semiannually on activities exempted.

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7. ☐ Staff Position: It is believed that the guidelines established with GAO for the provision of information should be maintained until such time as a policy decision is made which would permit GAO access to compartmented or operational information. If the charter legislation is adopted with the above mentioned provisions for audit and financial review, then I believe the issue of GAO access to compartmented or operational information would be moot to a substantial degree. In the interim, it is felt that CIA should pose no objection to an ad hoc arrangement similar to the procedures already suggested to Bill Miller, of the Senate Select Committee on Intelligence.

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8. ☐ Recommendation: I recommend that when you meet with Comptroller General Staats that you review the above guidelines with him to determine whether he has any major problems with the guidelines.



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Attachment:
As stated

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Washington, D.C. 20505

19 OCT 1977

OLC: 77-4127/a

OLC: 77-4127/a

The Honorable Elmer Staats
Comptroller General
441 G. Street, N.W.
Washington, D.C. 20548

Dear Mr. Staats:

I am writing in response to a 23 September letter to me from Mr. Frank Conahan, of your staff, requesting information with respect to the threat to the Continental United States posed by Soviet bombers,

It is my understanding that Mr. Conahan's request was prompted by your desire, which I can understand, to keep the Armed Services Committees of Congress regularly informed on foreign threats to U.S. weapons systems. However, I have been increasingly concerned about the handling of sensitive foreign intelligence assessments on matters such as this one. As you know, I have an obligation as the Director of Central Intelligence to report directly to the Congress on all substantive national intelligence matters falling within my purview. This obligation leads me to the conclusion that information developed by the Intelligence Community, such as that covered by Mr. Conahan's request, should be reserved for discussion by authorized representatives from the Intelligence Community directly with the appropriate Congressional committees:

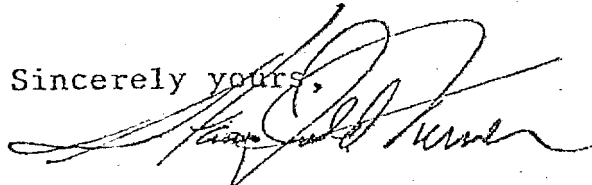
This does not mean that there are not areas where we can usefully be of service to the GAO. We will be happy to provide substantive intelligence briefings on non-compartmented matters in order that your staff have the background necessary to perform their tasks. I suggest that we consider such areas on a case-by-case basis as your needs arise. I would appreciate it if requests for such briefings be forwarded through a central point in your organization to my Office of Legislative Counsel.

With respect to the reference in Mr. Conahan's letter to unsuccessful earlier requests for the information he now seeks, we were reluctant to provide the information because your analysts from Dayton, Ohio, who requested the information were not cleared for access to compartmented information and a significant briefing could not be given at a lower level of sensitivity. I know you understand that I have a primary and imperative obligation to restrict the dissemination of highly sensitive information and, in furtherance of that obligation, I have in fact recently placed a moratorium on the granting of access to information in these categories.

I would be pleased to discuss my position with you personally if you wish.

With all good wishes,

Sincerely yours,


STANSFIELD TURNER

P.S. In all sincerity I must say that my views are colored by the fact that my very sensitive letter on to you very rapidly appeared in great detail in the press. My statutory responsibilities to protect the sources of such information force me to take pause.

The Director
Central Intelligence Agency

Approved For Release 2004/08/30 : CIA-RDP81M00980R001600040024-5



Washington, D.C. 20505

19 OCT 1977

OLD RECORD COPY

OLC: 77-4127/a

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Comptroller General
441 G. Street, N.W.
Washington, D.C. 20548

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cc:

DCI

Acting DDCI

D/DCI/IC

D/NFAC

DD/NFAC

ER

NFAC/CSS

SA/DO/O

D/OS sent 27 Oct 77

Distribution:

Original - Addressee

1 - OLC Subj

1 - OLC Chrono

OLC:CM:mlg (Typed 13 October 1977)

Retyped CM:mlg (14 October 1977)

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Executive Registry

77-5884/6

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

OLC #77-5060



B-163058

November 16, 1977

The Honorable Stansfield Turner
Director, Central Intelligence Agency

Dear Admiral Turner:

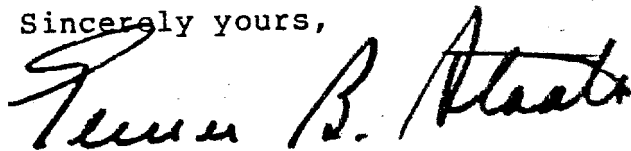
This is in response to your letter of October 19, 1977, regarding our request for information on the Soviet bomber threat to the Continental United States.

I share your concern about the handling of sensitive foreign intelligence assessments. As you recognize, however, there are certain areas where the General Accounting Office requires the opinions of the intelligence community in order to present factual and balanced reports to the Congress. We believe that the type of substantive briefings on selected matters that your letter proposes will meet our needs. We will forward all requests for briefings through a central point in GAO to be arranged with your Office of Legislative Counsel.

With regard to the postscript in your letter, we expressed our concern to the Secretary of Defense on July 14, 1977, (enclosure) about the continuing problem of release to the press of sensitive information from draft reports forwarded by us to the Department of Defense for review and comment. The Office of the Secretary of Defense has consistently refused to limit the number of copies of our reports that are circulated for review and comment so that appropriate controls could be maintained to prevent premature release. We have, therefore, decided to take steps, on our own, to restrict circulation of some of our draft reports. In the future, for example, we may decide not to submit written reports for comment, and solicit only informal comments from selected officials when they deal with particularly sensitive matters.

We certainly share your interest in limiting the disclosure of highly sensitive data. I believe the steps you propose, and those that we are taking, will enable both of us to discharge our responsibilities to the Congress with a minimum of risk.

Sincerely yours,



Comptroller General
of the United States

Enclosure

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Enc.

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EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X	w/caf.	
2	DDCI		X		
3	D/DCI/IC		X		
4	DDS&T				
5	DDI				
6	DDA				
7	DDO				
8	D/DCI/NI				
9	GC				
10	LC	X			
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	A/DCI/PA				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20					
21					
22					

SUSPENSE _____
Date _____

Remarks:

For comment to DCI, per my remarks at this morning's staff meeting.

Executive Secretary
18 November 1977

Date

25X1

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